

## **806 KAR 52:010. Forms for application, security deposits and financial statements.**

RELATES TO: KRS 304.50

STATUTORY AUTHORITY: KRS 304.50-010(2), 304.50-030(1), 304.50-050(1), (2), 304.50-060(4)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.50-010(2) requires the commissioner to promulgate administrative regulations as necessary to govern admission, certification, and regulation of workers' compensation self-insured groups. KRS 304.50-030(1) requires a workers' compensation self-insured group seeking initial certification to file an application on a form approved by the commissioner. KRS 304.50-050(1) requires a workers' compensation self-insured group to provide a security deposit to the commissioner on a form prescribed by the commissioner. KRS 304.50-050(2) authorizes trustees to file cash, cash equivalents, United States Treasuries or a bank letter of credit in satisfaction of the security deposit requirement, on a form prescribed by the commissioner. KRS 304.50-060(4) requires workers' compensation self-insured groups to file statements of financial condition on a form prescribed by the commissioner. This administrative regulation prescribes the required forms for application, security deposits, and financial statements.

Section 1. Definitions. (1) Commissioner is defined by KRS 304.1-050(1).

(2) Department is defined by KRS 304.1-050(2).

(3) "Self-Insured group" is defined by KRS 304.50-015(29).

Section 2. (1) Pursuant to KRS 304.50-030(1), Form 100, Initial Application for Certificate of Filing As a Workers' Compensation Self-Insured Group, shall be completed and submitted to the commissioner to apply for initial certification as a workers' compensation self-insured group.

(2) Pursuant to KRS 304.50-050(5), Form 141, Election Form for Designation of Custodian Bank for Safekeeping of Securities, shall be completed and submitted to the commissioner to propose designation of a bank or trust company for the safekeeping of securities.

(3) Pursuant to KRS 304.50-050(2), Form 142, Letter of Credit, shall be completed and submitted to the commissioner when issuing a letter of credit in satisfaction of the security deposit requirement for a workers' compensation self-insured group.

(4) Pursuant to KRS 304.50-050(2), Form 145, Transaction Sheet for Securities Held Under Safekeeping with Designated Custodian Banks, shall be completed and submitted to the commissioner when transferring funds in or out of the Safekeeping Account and shall be approved by the commissioner before the bank can complete the transfer.

(5) Pursuant to KRS 304.50-050(2), Form 826, Safekeeping Agreement for Workers' Compensation Self-Insured Groups, shall be completed and submitted to the commissioner when the self-insured group initially sets up the security account or when a group transfers the security deposit to another bank.

(6) Pursuant to KRS 304.50-060(4), the Workers' Compensation Self-Insured Group Quarterly Statement (Blank), shall be completed and submitted to the commissioner to file a quarterly statement of financial condition. Form 102, Trustee Confirmation of Receipt, shall be completed by each trustee of the workers' compensation self-insured group, acknowledging receipt of a copy of the quarterly statement of financial condition, and submitted to the Department of Insurance within forty-five (45) calendar days after the close of each quarterly reporting period.

(7) Pursuant to KRS 304.50-060(4), the Workers' Compensation Self-Insured Group Annual Statement (Blank), shall be completed and submitted to the commissioner to file an annual statement of financial condition.

(8) Pursuant to KRS 304.50-050(1), Form 147, Deposit Calculation for Workers' Compensation Self-Insured Groups, shall be completed and submitted annually to the commissioner to calculate the correct amount to be placed in the Safekeeping Account.

Section 3. Incorporation by Reference. (1) The following material is incorporated by reference:

(a) "Form 100 - Initial Application for Certificate of Filing As a Workers' Compensation Self-Insured Group 7/2020";

(b) "Form 141 - Election Form for Designation of Custodian Bank for Safekeeping of Securities 7/2020";

(c) "Form 142 - Letter of Credit 7/2020";

(d) "Form 145 - Transaction Sheet for Securities Held Under Safekeeping with Designated Custodian Banks 7/2020";

(e) "Form 826 - Safekeeping Agreement for Workers' Compensation Self-Insured Groups 7/2020";

(f) "Workers' Compensation Self-Insured Group Quarterly Statement (Blank) 7/2020";

(g) "Form 102 - Trustee Confirmation of Receipt 7/2020";

(h) "Workers' Compensation Self-Insured Group Annual Statement (Blank) 7/2020"; and

(i) "Form 147 - Deposit Calculation for Workers' Compensation Self-Insured Groups 6/2020".

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